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FISCAL IMPACT STATEMENT

LS 6760

BILL NUMBER: SB 238

NOTE PREPARED: Dec 28, 2011

BILL AMENDED:

SUBJECT: Local Air Pollution Control Agency Contracts.

FIRST AUTHOR: Sen. Randolph

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires the Department of Environmental Management (IDEM) to enter into a contract with a local air pollution control agency to carry out air pollution programs for IDEM whenever the local air pollution control agency is willing to enter into the contract. It specifies certain provisions that must be in the contract.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *IDEM*. The number and nature of contracts with IDEM that might occur under the provisions of the bill are unknown. Consequently, the fiscal impact is unknown.

This bill provides that IDEM must enter into a contractual agreement with a local air pollution control agency whenever the local air pollution control agency is willing to enter into the contract. The contract must require IDEM to do the following:

- (1) Advise, consult, and cooperate with the local air pollution control agency.
- (2) Provide technical assistance to the local air pollution control agency.
- (3) Authorize the local air pollution control agency to undertake air pollution control activities.
- (4) Authorize certain alternative actions.
- (5) Provide fair monetary compensation to the local air pollution control agency for the air pollution control work performed on behalf of IDEM.
- (6) Provide that the source of the monetary compensation provided to the local air pollution control agency may originate from:
 - (A) U.S. Environmental Protection Agency (EPA) federal grant funding for the purpose of air

pollution control program support activities;

(B) U.S. EPA federal grant funding for the purpose of PM2.5 air monitoring activities funded under Section 103 of the federal Clean Air Act.

(7) Provide that the monetary compensation provided to the local air pollution control agency must be at least sufficient to cover the staffing and operating costs the local air pollution control agency incurred for air pollution control work performed on behalf of IDEM.

(8) Provide that the monetary compensation provided to local air pollution control agencies must be tied to the Consumer Price Index (CPI).

(9) Provide that if a local air pollution control agency applies for grant funding from the U.S. EPA, the Commissioner must approve and facilitate the grant funding agreement between the U.S. EPA and the local air pollution control agency.

The bill also requires the IDEM Commissioner to do the following, while current statute provides that the Commissioner may perform these actions:

(1) Advise, consult, and cooperate with various entities in the prevention and control of new and existing air contamination sources within Indiana;

(2) Encourage and conduct studies, investigations, and research relating to air pollution;

(3) Collect and disseminate information relating to air pollution;

(4) Encourage voluntary cooperation by persons, towns, cities, and counties or other affected groups in restoring and preserving a reasonable degree of purity of air within Indiana;

(5) Encourage authorized air pollution agencies of towns, cities, and counties to handle air pollution problems within their respective jurisdictions to the greatest extent possible;

(6) Upon request, provide technical assistance to towns, cities, or counties requesting technical assistance for the furtherance of air pollution control;

(7) Represent the state in all matters pertaining to plans, procedures, or negotiations for interstate compacts in relation to the control of air pollution; and

(8) Accept and administer grants or other money or gifts for the purpose of carrying out any of the functions of air pollution control laws.

The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Background Information - In 2008 and 2009, IDEM allowed contracts with six local air agencies to expire and brought IDEM-related permitting, compliance, and monitoring activities in-house. The local agencies were located in the following local units: Anderson, Evansville, Gary, Hammond, Indianapolis, and Vigo County.

Explanation of State Revenues:

Explanation of Local Expenditures: *Counties, Cities, and Towns.* The bill also provides that a county, city, or town that adopts an ordinance must designate an agency to act as an air pollution control agency to enforce ordinances and undertake air pollution control efforts on behalf of IDEM. An air pollution control agency that has entered into a contract must submit annual reports as requested by IDEM.

The fiscal impact of these provisions will depend on the number and nature of contracts established with

IDEM.

Explanation of Local Revenues: See *Explanation of State Expenditures* above.

State Agencies Affected: IDEM.

Local Agencies Affected: Cities, towns, and counties.

Information Sources: IDEM website, <http://www.in.gov/idem/5334.htm>.

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